



COUNTY OF LOS ANGELES

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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ANITA M. BOCK
Director

January 29, 2001

BOARD OF SUPERVISORS:
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TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM:  Anita M. Bock, Director

NOTIFICATION MEMORANDA FOR LOCAL AREA NETWORK AND PERSONAL COMPUTER SUPPORT SERVICES UTILIZING THE INTERNAL SERVICES DEPARTMENT INFORMATION TECHNOLOGY SUPPORT SERVICES MASTER AGREEMENT (ITSSMA)

This is to advise your Board that the Internal Services Department (ISD) intends to execute three work orders on behalf of the Department of Children and Family Services (DCFS) to provide Local Area Network and Personal Computer (LAN/PC) support. These services will utilize the Board approved Information Technology Support Services Master Agreement (ITSSMA). The maximum amount of the three work orders shall not exceed \$2,471,550 for one year.

BACKGROUND

This matter was last before your Board on September 12, 2000 when the Board extended the existing agreement and directed that DCFS commence a new solicitation for these services. At that time, six modules of services were included under the current contract. Since that time, four of those services have been completed, determined to be no longer necessary, or assumed by DCFS. At this time, the remaining services are for LAN and PC maintenance and sustaining support. Accordingly, after consultation with ISD and the State, DCFS identified ITSSMA as a viable option for the competitive solicitation of the remaining services.

By way of background, for the past five years, Computer Consulting Operations Specialists, Inc., (CC-OPS), has provided LAN/PC support services for the Department under County agreement #68679. The last extension to that agreement expires on

February 15, 2001 and the Department must procure replacement services to maintain the integrity of the department's network and individual user PCs.

In February 2000, prior to requesting an extension to the agreement, the Department released a Request for Proposal (RFP) for a new contract; however, the Federal Office of State Systems Policy, Administration for Children and Families (OSSP/ACF) did not approve our document. They perceived several of our requirements as having limited competition. Accordingly, the agreement was extended until September 15, 2000 by your Board to allow for resolution of the federal issues. By September 2000, however, the federal issues were not resolved. At the request of DCFS, your Board extended the agreement to February 15, 2001 to competitively procure replacement services.

SCOPE OF TASKS AND DELIVERABLES

This notification covers three separate work orders for two categories of LAN/PC services:

LAN Engineers

- Work Order N06-0054 to ComputerWorks for 8 LAN Engineers in the amount of \$821,000 (ITSSMA Contract Number N100163)

Field Technicians

- Work Order N04-0099 to Wareforce for 18 Field Technicians in the amount of \$1,002,176 (ITSSMA Contract Number N99896)
- Work Order N06-0055 for 10 Field Technicians in the amount of \$648,374 (ITSSMA Contract Number N95096)

The first category is for eight network engineers to support network infrastructure and operation. The network engineers are needed to install and maintain the hardware and software associated with WAN, LAN, Internet, Intranet, e-mail, and Extranet operations. They will be the primary resource for the daily maintenance of the network file servers, hubs, operating systems, and network connectivity. Their duties will include standard utility functions, such as network backups; network restores, and networks archiving. In addition they will be responsible for network equipment repair; network infrastructure design, implementation, and documentation; network load management; virus alerts; crisis escalation; and reporting functions. Their documentation responsibilities include logs of all network activities, maintenance of passwords, and procedure and properties documentation of the DCFS network. DCFS will locate them in a central network control center. Their work will be directed and supervised by the DCFS network manager.

The second category is for 28 field technicians to provide basic, first line, on-site assistance to DCFS end users by responding to trouble calls and by installing, troubleshooting, and configuring hardware and software on the individual desktop, laptop, and associated -computer equipment. They will also be responsible for routine

preventative maintenance on the desktops. They will be required to document daily activities and to escalate problems they are unable to resolve to the DCFS PC support manager. The field technicians will be assigned to specific DCFS offices.

Continuity of Network/PC support service is essential to all aspects of the operation of the Department. The LAN is the system that allows social workers and support staff to have access to the statewide Child Welfare Services/Case Management System (CWS/CMS), Internet, Intranet, e-mail and to other supporting applications. The network provides the necessary case management capabilities to deliver services to children and families as mandated by County, State, and Federal law. Without the network and the applications that reside on it, Children's Social Workers would have limited ability to track case activity, prepare court reports, case plans, and placement packets for children in our caseloads. A lapse in LAN support services might prevent the social workers from accessing their caseloads and/or other critical applications or prevent them from using e-mail. A lapse in PC support services would impact approximately 6,200 users, including case-carrying social workers.

FISCAL IMPACT

Even in the absence of federal funding, sufficient funding for the work orders is included in DCFS's Adopted Budget for 2000-2001 and will be included in the Proposed Budget for 2001-2002. The overall cost for this project will not exceed \$2,471,550 with \$821,000 of that total for the engineers and the remaining \$1,650,550 for the field technicians.

With state and federal reimbursement at the combined rate of 83.6%, the anticipated Net County Cost (NCC) for this service will be 16.4% (\$405,289). However, there is the possibility that federal participation of 49.6% may not be forthcoming, as described below.

The OSSP/ACF has expressed concerns regarding the State's claiming of LAN/PC support of the CWS/CMS that may impact federal funding for these work orders. The following three funding options are available should OSSP/ACF deny Federal Financial Participation: (1) The Department can negotiate with the State to provide complete funding of the Federal share of 49.6% in addition to the State's current share of 34%; (2) The Department can negotiate with the State to fund a portion of the Federal share and the Department would be responsible for the uncovered Federal share in addition to our current 16.4%; or (3) The State could continue participation at their current level of 34% and the Department would assume the entire Federal share in addition to our current funding level.

DCFS has sufficient NCC funds in this year's budget to cover the additional costs in option two or three, through June 2001. This would require postponing planned expenditures in other areas and diverting those allocated funds to cover this request. Under Option 1, the Department would not incur any additional costs, over and above our 16.4% share.

The State has determined that CWS/CMS requires a ratio of one support staff for every fifty users for the system to be appropriately utilized. As our request complies with the State's support ratio standard and because CWS/CMS full utilization is a high priority, the State has expressed a strong commitment to provide the standard levels of funding. The State has given a favorable review to DCFS' supporting work order documentation and has verbally informed us that they anticipate federal approval. Due to the critical nature of the services being provided, the State has requested federal approval by February 1, 2001. However, given the transition period currently occurring at the federal level with the recent change in administrations, there has been no response to date, nor is it known whether or not federal approval can be obtained by February 15, 2001, the expiration date of the current LAN/PC support services contract with CC-OPS.

ITSSMA FACTS AND PROVISIONS

The ITSSMA agreement was established to provide County Departments a contracting vehicle to obtain experienced/qualified information technology services. County Departments using ITSSMA must comply with all COUNTY and ISD policies and procedures regarding contracting. This includes selecting information technology contractors through the competitive bid process and obtaining the lowest-priced qualified services from a large established vendor base.

ITSSMA allows for vendors to qualify to bid according to various technical service categories. Any work order to be issued to an ITSSMA vendor that exceeds \$300,000 requires Board notification.

CONCLUSION

ISD intends to issue work orders consistent with the foregoing on Monday, February 12, 2001.

AMB:pc

Attachment

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Director, Internal Services Department

Reviewed by:
Jon W. Fullinwider
Chief Information Officer
(see attached analysis)

CIO ANALYSIS

AUTHORIZE THE REQUEST OF THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS) FOR LOCAL AREA NETWORK (LAN) AND PERSONAL COMPUTER (PC) SUPPORT SERVICES THROUGH THE INTERNAL SERVICES DEPARTMENT (ISD) INFORMATION TECHNOLOGY SUPPORT SERVICES MASTER AGREEMENT (ITSSMA) IN THE AMOUNT OF \$2,471,550 FOR ONE YEAR

The Department of Children and Family Services (DCFS) is notifying your Board of its intention to have ISD execute three work orders secured through the ITSSMA contract process for the provision of LAN and PC support services. The costs of these services are expected to be \$2,471,550 for one year. If approval for Federal Financial Participation (FFP) is secured, these costs would be offset by state and federal subvention of 83.6%, resulting in Net County Costs (NCC) of approximately \$405,334. These amounts are included in DCFS' adopted budget for FY 2000-2001, as well as in their proposed budget for FY 2001-2002. Formal approval of FFP is being sought by DCFS through the submission of required documentation to the California Department of Social Services (CDSS), who has forwarded this information to the federal Department of Health and Human Services, Administration for Children and Families (ACF) for review and approval. CDSS has requested expedited handling of this request by ACF; however, formal approval for FFP has not yet been secured and is unlikely to be approved by the current contract expiration date of February 15, 2001. Until federal approval is obtained, costs incurred under these agreements are obligations of the County of Los Angeles.

On September 12, 2000, your Board approved the eighth amendment to the existing contract with Computer Consulting Operations Specialists, Inc. (CC-OPS), extending the contract to February 15, 2001. Your approval was conditioned upon DCFS securing a competitively bid replacement contract for these services.

Prior to your Board approving Amendment #8 to the CC-OPS contract, DCFS sought and received approval of Amendment #6, increasing the maximum annual amount payable to CC-OPS from \$2,753,374 to \$3,200,000, and Amendment #7, extending their contract with CC-OPS for a 120-day period, from May 22, 2000 to September 15, 2000, in an effort to secure federal approval of a replacement contract. Federal approval of the negotiated contract was not granted causing DCFS to seek and obtain Amendment #8 and to continue to pursue securing a federally approved replacement contract for these services. As early as November 1999 with Amendment #6, DCFS was directed to take the appropriate steps necessary to secure a replacement contract, and informed that further support for additional contract amendments would not be forthcoming from this office. Nevertheless, as of this date, a federally approved replacement contract for LAN and PC support services has yet to be secured by DCFS. This request by DCFS for approval to secure these agreements through the ITSSMA contracting process is intended to satisfy that requirement.

Given the nature of the services being sought by DCFS under these agreements and the lack of any other viable alternative because of the shortness of time given to DCFS under Amendment #8 (five months), and with less than one month remaining on the existing contract amendment, this

office supports the DCFS initiative. Notwithstanding, we feel there are issues regarding the potential for financial exposure to the County of Los Angeles, should FFP not be approved by the ACF, as detailed further below.

Background

DCFS contracted through a competitive bid process with CC-OPS in November of 1995 for \$280,000 to provide network administration and end-user support for 500 computers and five (5) local area networks (LANs). The initial contract was for an 18-month term with an option for three one-year renewals.

Eight amendments have been made to this contract, extending performance periods and/or increasing funding to accommodate the increase in PCs which now total over 6,000, as well as the expanded need for LAN support for the use of the statewide case management system (CWS/CMS).

Subsequent to the approval of Amendment #6 in November of 1999, which increased the annual contract sum from \$2,753,374 to \$3,200,000, a replacement contract had been sought by DCFS through an RFP process. In fact, DCFS had completed the entire replacement contract process including issuing the RFP, selecting a vendor, negotiating the contract and preparing a final agreement for execution by your Board. This process was completed sufficiently in advance of the contract's May 20, 2000 expiration date as established by Amendment #5.

In concert with state and federal approval requirements, the RFP, a sample contract and Advanced Planning Document (APD) was approved by CDSS on April 28, 2000 and forwarded to the Federal Department of Health and Human Services, Administration for Children and Families (ACF) for final review and approval. On June 9, 2000, ACF rejected the RFP and APD.

Amendment #8 to the contract was therefore sought and obtained as an interim extension of five (5) months to provide continuity of LAN and PC support services to DCFS until state and federal approval could be obtained for a competitively bid replacement contract. During this 5-month period, DCFS and the County's Internal Services Department/Information Technology Services (ITS) met to discuss methods for DCFS to obtain these services. This resulted in DCFS selecting the ITSSMA contract process.

Although disputed, it is important to note that the federal government has yet to formally approve Federal Financial Participation (FFP) for any of the costs incurred by DCFS under their initial contract and the eight (8) subsequent contract amendments with CC-OPS (approx. \$8.8 million), or for the services to be performed under these new agreements (\$2.471 million). To date, the State has approved and reimbursed DCFS for approximately \$7.7 million of those costs. However, in a June 9, 2000 letter from ACF to CDSS rejecting DCFS' RFP, there is a clear notification that because CDSS did not seek appropriate approvals from ACF for these expenditures, FFP would not be available for any costs of the Los Angeles County/CC-OPS contract and its amendments. Although DCFS and CDSS have indicated that they have a strong belief that these expenditures will ultimately be approved for reimbursement, this issue is still under discussion.

In that the costs of the services sought under these new agreements do not exceed \$5,000,000, both DCFS and CDSS are of the opinion that only State approval of these agreements should have been required for FFP. However, ACF has informed CDSS that, despite the published guidelines, any contract amount in excess of \$100,000 needs to be forwarded to them for review and approval. Accordingly, the State forwarded all necessary documentation to ACF for approval of the ITSSMA procurement process, and provided DCFS with a written indication of their favorable review of the materials submitted in support of FFP. Subsequently, telephone conversations between DCFS, CDSS and our office further substantiated the State's support for FFP, as well as their sense that ACF would ultimately provide its approval. In any event, CDSS indicated that, regardless of ACF's decision, they would fund their 34% share of the costs incurred under these agreements. In that federal approval for FFP has not yet been secured, the remaining 49.4% of the costs incurred under these agreements are, therefore, still at issue.

Although the federal approval process typically takes 60 to 90 days, CDSS has requested that ACF give this matter priority and provide their assessment no later than February 1, 2001. Despite CDSS' request to ACF to expedite the approval process, it is unlikely that CDSS will have secured federal approval for FFP prior the February 15, 2001 contract expiration date. Notwithstanding CDSS' favorable review of the materials submitted for consideration, we know of no other attempt having been made to qualify agreements secured under the ITSSMA contracting process for federal financial participation.

CIO Concerns

We are concerned with the absence of federal approval for financial participation in the costs incurred under the CC-OPS contract, despite the State having reimbursed the County of Los Angeles for approximately \$7.7 million of these expenditures. Given the documentation provided to this office by DCFS, it appears the County could potentially be liable for all costs claimed and reimbursed by the State for services rendered under the initial CC-OPS contract and all subsequent amendments.

Despite protracted efforts to date by DCFS, the County is still without a federally approved contract for support of the day-to-day operations of their local area networks and personal computers. Although this approach to securing the required replacement agreements may meet the State and federal requirements relative to ensuring a competitive bid process, it is not known whether or not all other aspects of the ITSSMA process will meet the federal requirements.

CIO Recommendations

Subject to concerns stated above, this office supports the utilization of the ITSSMA contract process by DCFS as a means of securing LAN maintenance and PC support services.

CIO Approval

Prepared by: Eugene Buckley
Date: 1-29-01
Approved: [Signature]
Date: 1-29-01